



# ENERGY ASSURANCE DAILY

Monday Evening, May 21, 2012

## Electricity

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### **NYISO 'Power Trends' Report Examines State of New York's Power Grid**

The New York Independent System Operator (NYISO) issued its annual review of the forces and factors affecting New York's electric system earlier this month, *Power Trends 2012: State of the Grid*. NYISO concludes that while the current condition and near-term outlook of the state grid are good, several factors affecting future supply and demand require attention, including the significantly increased availability of natural gas; aging infrastructure; policy coordination; and regional collaboration.

[http://www.nyiso.com/public/webdocs/newsroom/press\\_releases/2012/NYISO Power Trends Examines State of the Grid 051012.pdf](http://www.nyiso.com/public/webdocs/newsroom/press_releases/2012/NYISO_Power_Trends_Examines_State_of_the_Grid_051012.pdf)

### **SDG&E Applies to California PUC for South Orange County Reliability Enhancement Project; Plans Substation, Transmission Upgrades**

San Diego Gas & Electric (SDG&E) on Friday submitted an application to the California Public Utilities Commission (CPUC) for approval of the South Orange County Reliability Enhancement project, which is designed to increase the reliability of the substation and transmission system in SDG&E's service area in southern Orange County. The project will:

- Upgrade the existing transmission lines that connect the substations in San Juan Capistrano and San Clemente by replacing an existing 138 kV transmission line with a new 230 kV double-circuit line;
- Rebuild the 138-kV/12-kV substation and build a new substation in San Juan Capistrano; and
- Reconfigure existing 138-kV transmission lines at SDG&E's substation in San Clemente.

The California Independent System Operator approved the project last year as part of SDG&E's 2010/2011 Transmission Plan. If the project is approved by the CPUC, construction could begin as soon as the end of 2013 with completion expected in 2017.

<http://sdge.com/newsroom/press-releases/2012-05-18/sdge-files-application-increase-reliability-south-orange-county>

### **Update: FPL's 839 MW Saint Lucie Nuclear Unit 1 in Florida Ramped Up to 59 Percent by May 21**

Saint Lucie nuclear Unit 1 experienced an unplanned shutdown March 31 while exiting a refueling outage, when a steam bypass control valve unexpectedly opened, causing an uncontrolled cooldown. The unit briefly restarted on April 6 before shutting again for waterbox repairs on April 7. The unit restarted April 13 but held at 1–2 percent of capacity before ramping up to 29 percent April 22–23. The unit ramped up to 45 percent by May 15 and has remained at that capacity until today, when it ramped up to 59 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

### **Update: AES's 506 MW Redondo Gas-Fired Unit 7 in California Returns to Service by May 18**

The unit returned from an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201205181515.html>

### **Update: AES's 495 MW Alamitos Gas-Fired Unit 6 in California Returns to Service by May 18**

The unit returned from an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201205181515.html>

## **Update: PG&E's 407 MW Helms Hydro Unit 1 in California Returns to Service by May 18; Shuts by May 19**

The unit returned from an unplanned outage May 18, and then shut again by May 19.

<http://content.aiso.com/unitstatus/data/unitstatus201205181515.html>

<http://content.aiso.com/unitstatus/data/unitstatus201205191515.html>

## **Delta Power's 240 MW Crockett Gas-Fired Unit in California Shut by May 20**

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201205201515.html>

## **GenOn's 215 MW Mandalay Gas-Fired Unit 2 in California Shut by May 20**

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201205201515.html>

## ***Petroleum***

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### **Update: Enterprise's Seaway Pipeline Begins Pumping Crude Oil from Cushing, Oklahoma to the U.S. Gulf Coast May 19**

Enterprise Products Partners L.P. on Saturday said the Seaway pipeline began pumping crude oil from Cushing, Oklahoma to Houston, Texas and volumes were expected to increase within days to 150,000 b/d, a spokesman said by email. Enterprise and joint-venture partner Enbridge Inc. on Thursday completed reversing the 500-mile, 30-inch pipeline, which is expected to increase in capacity to more than 400,000 b/d in the first quarter of 2013 with the addition of a new pumping station in Cushing. Ultimately, the companies plan to increase capacity on the line to 850,000 b/d.

<http://finance.yahoo.com/news/seaway-pipeline-sends-oil-texas-201304542.html>

### **Update: BP Resumes Motor Fuel Production at Its 225,000 b/d Cherry Point, Washington Refinery by May 20 – Source**

BP Plc resumed motor fuel production at its Cherry Point refinery over the weekend, sources familiar with refinery operations said on Monday. The refinery's restart continues, with full production expected by the end of May. The refinery shut in mid-February, when a fire damaged the crude distillation unit.

Reuters, 11:28 May 21, 2012

### **Update: CDU to Resume Full Rates at Sunoco's 335,000 b/d Philadelphia, Pennsylvania Refinery by May 19 – Source**

A crude distillation unit (CDU) at Sunoco's Philadelphia refinery was expected to reach full rates by late Friday or early Saturday last weekend, a trade source familiar with refinery operations said on Friday. Operators shut the unit for repairs after a brief fire May 9 damaged the unit by boring a small hole through it. Workers repaired the hole and restarted the CDU May 16, the source said.

Reuters, 16:48 May 18, 2012

### **HCU Upset Causes Sulfur Dioxide Emissions at Motiva's 285,000 b/d Port Arthur, Texas Refinery May 19**

Motiva reported that hydrocracking unit (HCU) No. 2 at the refinery experienced an upset Saturday morning while workers were sulfiding catalyst at the unit, according to a filing with state regulators. The upset released sulfur to the Power Station 4 fuel gas system. The sulfur subsequently combusted to sulfur dioxide (SO<sub>2</sub>) and caused excessive emissions. Operators reduced the amount of sulfur going to the fuel gas system, which reduced the amount of SO<sub>2</sub> produced through combustion.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168615>

### **Shell Restarts Unspecified Unit at Its 225,000 b/d Scotford, Alberta Upgrader May 19**

Royal Dutch Shell Plc said on Saturday it was restarting an unspecified unit at its 225,000 b/d upgrader facility near Edmonton, Alberta, according to a notice on a community information line. Shell said the startup might result in intermittent flaring for 24 hours, but otherwise it was not expected to impact production.

Reuters, 21:49 May 20, 2012

### **El Paso Applies to Export 0.5 Bcf/d from Its Elba Island, Georgia LNG Terminal**

El Paso Corp, through its subsidiary Southern LNG Company LLC, has applied to the U.S. Department of Energy (DOE) for long-term authorization to export liquefied natural gas (LNG) to countries with a free trade agreement with the United States. Southern plans to export approximately 4 million tons of LNG per year—equivalent to about up to 0.5 Bcf/d of natural gas—from its Elba Island facility over 25 years, according to a filing with the DOE Office of Fossil Energy.

[http://www.reuters.com/article/2012/05/18/lng-export-el-paso-](http://www.reuters.com/article/2012/05/18/lng-export-el-paso-idUSL1E8GI6UQ20120518?feedType=RSS&feedName=industrialsSector&rpc=43)

[idUSL1E8GI6UQ20120518?feedType=RSS&feedName=industrialsSector&rpc=43](http://www.reuters.com/article/2012/05/18/lng-export-el-paso-idUSL1E8GI6UQ20120518?feedType=RSS&feedName=industrialsSector&rpc=43)

[http://www.fossil.energy.gov/programs/gasregulation/authorizations/2012\\_Long\\_Term\\_Applications.html](http://www.fossil.energy.gov/programs/gasregulation/authorizations/2012_Long_Term_Applications.html)

### **PVR Partners to Extend Natural Gas Pipeline, Infrastructure in the Marcellus Shale in Northeast Pennsylvania**

Penn Virginia Resource Partners, L.P. today announced that its midstream subsidiary has entered long-term agreements to extend its natural gas pipeline in Lycoming County, Pennsylvania and provide various gathering, compression, and related services to four Marcellus Shale natural gas producers in northeast Pennsylvania. Under agreements with Southwestern Energy Company, Royal Dutch Shell Plc, and Range Resources Corp., PVR will extend its existing 30-inch trunkline approximately 19 miles north through Lycoming County and into Tioga County, Pennsylvania. Construction is expected to begin within 2 weeks and be completed in the fourth quarter of 2012. PVR will also construct lateral pipelines for Shell and Range to bring gas from the wellheads to the trunkline for transport to the Transcontinental Pipeline (“Transco”) and, by early 2014, to the Tennessee Gas Pipeline 300. Under an agreement with Inflection Energy LLC, PVR will provide firm volume capacity and compression services in Lycoming County and a connection to Transco. The new gathering system will include 10 miles of 16-inch trunkline and 15 miles of lateral gathering lines, together with associated compressor stations, providing an expected total system capacity of 380 MMcf/d when completed in 2013.

[http://www.pvresource.com/Theme/PennVirginia/files/doc\\_news/SRSI%20Press%20Release%205-21-12\\_v001\\_y8p09j.pdf](http://www.pvresource.com/Theme/PennVirginia/files/doc_news/SRSI%20Press%20Release%205-21-12_v001_y8p09j.pdf)

### **Energy Companies Increase Natural Gas Drilling Rig Count as Prices Rise 43 Percent over 4 Weeks**

Energy companies increased the number rigs drilling for natural gas this week for the first time since mid-April, suggesting some producers have been encouraged by the recent recovery in prices. Gas prices have risen by 43 percent over 4 weeks to nearly their highest levels this year. The drilling rig count rose by 2 to 600, according to data from Baker Hughes on Friday, but the number is still down by more than a third from a peak of 936 rigs last October. Meanwhile, rising output from shale deposits has kept production growing: the number of horizontal rigs, which are most often used to extract oil or gas from shale, rose by 6 to an all-time high of 1,193 this week, Baker Hughes data showed.

Reuters, 15:05 May 18, 2012

### **Valve Malfunction Shuts AGI Compressor at Regency’s 290 MMcf/d Waha Gas Plant in Texas May 19**

Regency Energy Partners reported an acid gas injector (AGI) compressor shut down Saturday morning on No. 3 cylinder hot valves, according to a filing with the Texas Commission on Environmental Quality. Operators repaired the valves and restarted the compressor that afternoon.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168618>

### **High Discharge Pressure Causes Repeated AGI Unit Shutdowns at Enbridge’s Tilden Gas Plant in Texas May 17–19**

Enbridge reported acid gas injector (AGI) Units 1 and 2 went down last Thursday evening and Saturday night due to high fifth-stage discharge pressure, according to filings with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168623>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168624>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168595>

## Other News

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### GreenHunter Water to Develop 7 New Salt Water Injection Wells in Eagle Ford Shale Play in South Texas

GreenHunter Energy, Inc. announced today that its wholly owned subsidiary, GreenHunter Water, LLC has entered into a definitive joint venture agreement to develop seven Class II salt water disposal wells to be located in Gonzales, Karnes, DeWitt, Frio, and La Salle counties of South Texas. These new wells will be located in the heart of the Eagle Ford Shale Play. When fully operational, management expects aggregate commercial disposal capacity from these wells to exceed 140,000 b/d.

<http://phx.corporate-ir.net/phoenix.zhtml?c=219127&p=irol-newsArticle&ID=1697921>

## International News

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### Kurdistan Regional Government Outlines Crude Oil Export Plans in Iraq Despite Ongoing Dispute with Baghdad

The Kurdistan Regional Government in Iraq on Sunday said it expects to start exporting its crude oil along a new pipeline to the Turkish border by August 2013, despite an ongoing dispute with Baghdad over export rights. The first stage of the pipeline project is expected to complete by October this year and will carry crude oil from the Taq Taq oilfield.

<http://www.reuters.com/article/2012/05/20/iraq-kurdistan-idUSL5E8GK2WS20120520>

## Energy Prices

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U.S. Oil and Gas Prices			
May 21, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	92.36	94.53	98.51
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.56	2.37	4.10

Source: Reuters

## Links

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***This Week in Petroleum*** from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 10:30 AM and 1:00 PM Eastern Time every Wednesday.

***Natural Gas Weekly Update*** from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM Eastern Time every Thursday.

## ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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